



From: Doherty, Paul
Sent: Friday, October 02, 2015 10:25 AM
To: 'Zane Belden' <dzexploration@yahoo.com>
Subject: RE: D&Z - SPCC Plans

Zane/Deke:

Regarding the daily gauge sheet inspections, I do not see a copy of this inspection form in the SPCC plan so I can not tell what is inspected as part of the gauge sheet. If it includes some, or all of, items identified in the inspection forms on pages 29 and 31 it should be identified on the form and a description of the content and frequency of the inspections and documentation form should be included in the plan.

The training program as discussed appears acceptable provided it is documented.

My comment about pressure testing was based on statements made on page 17 of the SPCC plan. See below:

The Flow Line Maintenance

The MYERS LEASE shall be inspected during each regularly scheduled visit by the pumper annually by the field inspector for signs of leaking oil. Buried flow lines shall be pressure tested yearly to the maximum expected working pressure or to the pressure set on the first receiving vessel's pressure relief valve setting. All flow lines buried after August 16, 2002 shall be wrapped or have appropriate cathodic protection. A closed valve may be placed between the intake of the first vessel and the test truck to preclude rupturing the seal on the pressure relief valve so long as this valve is open and handle removed during the course of daily operations. The pressure relief valve shall be inspected at the same time the flow line is tested to look for signs that is not in good working order. All flow lines which surface inside the secondary containment area should remain above ground and properly painted.

If pressure testing is not envisioned then the section needs to be rewritten to better describe the Flow Line Maintenance Program procedures.

The elements of an acceptable flow line maintenance program are explained in more detail in the attached pages from an EPA guidance document available on line at:

http://www2.epa.gov/sites/production/files/2014-04/documents/spcc_guidance_fulltext_2014.pdf

For your awareness, we received another complaint from Mrs. Koehler regarding the well on her property in front of her house. I responded to the complaint and had no issues with the condition of the well or the restoration work done around the well. I told Mrs. Koehler this but also said that I would be working with you in the future and would continue to monitor the well as needed. Anything you can do to avoid repeat complaints would be greatly appreciated.

Also, I swung by the Meyers tank battery and noted that the containment dike was low, if not inadequate, in a couple locations and something you need to check on when you are out there next.

Let me know when you expect to have the redraft of the plan so we can schedule the field inspection.

Thanks

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Tuesday, September 29, 2015 9:18 AM
To: Doherty, Paul <Doherty.Paul@epa.gov>
Subject: D&Z - SPCC Plans

Paul,

Thanks for the feedback.

As far as your concern about the frequency of inspections: Our infrastructure on each lease is checked and inspected on a daily basis by our pumpers and we document this by our daily gauge sheets. This is where we document on a daily basis which includes who checked the facility and what time the facility is checked. Does this satisfy your concern from page 34?

We have gone through the SPCC with our pumpers and feel our training is compliant. Again, we have been provided this training to our pumpers since we hired each of them. And this training includes the daily checks and inspections as mentioned above. We will be documenting this in our new SPCC plans and going over it with them on a periodic basis as outlined in the plan.

I do have questions about the "line testing" which I am also asking our consultant about. Exactly how do companies typically perform this? We do this by checking pressures at different points along our lines to be sure we never have pressures that approach the max operating pressure of the flowline. Is this something we need to periodically document in the new SPCC plan to satisfy this requirement?

Thanks, Zane

Zane/Deke:

I've completed an initial review of the Meyers Lease SPCC plan and find no other significant deficiencies.

I am concerned that only annual area supervisor's inspections will be documented. (Page 34 indicates inspections by the supervisor are at least every 6 months and pumper inspections are more frequent.) We recommend that documented periodic inspections be more frequent than once a year.

I'm ok with allowing D&Z 30 days to complete the initial training and inspection, including line pressure testing, called for by the SPCC. Let me know when this work is completed and I'll schedule an onsite inspection. If you don't anticipate being able to complete the training/inspections within this timeframe we can schedule the SPCC inspection without delay. If you have records of equivalent training, inspections, including line pressure testing please forward the information for our consideration prior to the upcoming inspection.

Thanks for your cooperation. Any questions let me know.

ped

page 17...

page 34...

D & Z Exploration, Inc. P.O. Box 159 St. Elmo, IL 62458 Office: (618)-829-3274 Fax: (618)-829-5510
Email: dzexploration@yahoo.com This e-mail message (including attachments) is privileged and confidential, and is only for the use of the individual or entity named therein. If you are not the intended recipient, any use, distribution or copying of this communication or attachments is prohibited. If you are not the intended recipient, please forward this communication to us dzexploration@yahoo.com and delete it from your system.